

Message Text

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64

ACTION EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 NEA-10 ISO-00

CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10

PA-03 RSC-01 PRS-01 SPC-03 SS-20 USIA-15 ACDA-19

IO-15 SCEM-02 INT-08 COME-00 TRSE-00 DRC-01 /205 W

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R 121800Z OCT 73

FM AMEMBASSY ROME

TO SECSTATE WASHDC 1298

INFO AMEMBASSY ABU DHABI

AMEMBASSY BONN

AMEMBASSY CARACAS

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TEL AVIV

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

USMISSION OECD PARIS

USMISSION EC BRUSSELS

USINT ALGEIRS

C O N F I D E N T I A L ROME 11095

E.O. 11652: GDS

TAGS: ENRG, IT

SUBJECT: ITALIAN VIEWS ON MIDDLE EAST OIL DEVELOPMENTS

DEPT PASS CAIRO

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REF: STATE 202315 NOTAL

1. EMBOFFS BRIEFED INTERESTED MFA AND MINISTRY OF INDUSTRY ENERGY OFFICIALS ON MIDDLE EAST OIL DEVELOPMENTS ON BASIS REFTEL INSTRUCTIONS. ITALIANS GREATLY APPRECIATED OPPORTUNITY TO EXCHANGE INFORMATION, POINTING OUT THAT CURRENT SUPPLY SITUATION BEING FOLLOWED CLOSELY WITHIN GOVERNMENT, UP TO AND INCLUDING PRIME MINISTER HIMSELF.

2. RE VIENNA OPEC MEETING, MFA SOURCE SUGGESTED THEIR REPORTS A BIT LESS PESSIMISTIC SOUNDING THAN OURS ABOUT PROSPECTS FOR NEGOTIATIONS. ADDED THAT ITALIANS CONSIDER THE SITUATION SERIOUS HOWEVER, IN PARTICULAR OPEC REQUEST FOR IMMEDIATE 100 PERCENT INCREASE IN POSTED PRICE AND MINIMUM 14.4 RATION POSTED PRICE TO MARKET PRICE. ALSO LOOK WITH CONCERN AT OPEC DESIRES FOR INCREASINGLY SHORT TERM AS POSED TO LONG TERM AGREEMENTS--IN CASE AT HAND, AN AGREEMENT REPORTEDLY UP TO 1975.

3. IN RESPONSE OUR QUESTIONS, MFA OFFICIAL RESPONSIBLE FOR LIBYAN ECONOMIC MATTERS STATED HE HAS HEARD NOTHING ABOUT POSSIBLE AGIP ENTRY INTO LIBYAN HOT OIL MARKET, ADDING THAT DOES NOT RPT NOT NECESSARILY MEAN THAT SUCH HAS NOT OCCURRED. HE VOLUNTEERED TO RAISE THE QUESTION WITHOUT ATTRIBUTING IT TO US IN HIS PERIODIC CONVERSATIONS WITH ENI OFFICIALS, ALTHOUGH HE DOES NOT NECESSARILY EXPECT A "STRAIGHT" ANSWER FROM ENI.

4. MINISTRY OF INDUSTRY SOURCE, EMPHASIZING EXTENT OF GOI CONCERN OVER SUPPLY SITUATION, POINTED OUT THAT 22-23 PERCENT ITALIAN CRUDE SUPPLY FIRST 6 MONTHS 1973 WAS SHIPPED FROM EASTERN MEDITERRANEAN PORTS. HE AS DID MFA SOURCE DOUBTS THAT LOSS THIS SUPPLY COULD BE COMPENSATED BY INCREASED LIBYAN PRODUCTION. REGARDING GOI VIEWS ON DEMANDS MADE BY OPEC IN VIENNA, HE STATED GOI ESTIMATES SUCH TERMS WOULD COST ITALY 1,000 BILLION LIRE (\$1.7 BILLION) ANNUALLY. FINALLY, HE MENTIONED REPORTS OF UK CALL FOR A SPECIAL MEETING OF OECD OIL COMMITTEE TO DISCUSS CURRENT OIL SITUATION. HE STATED THAT GOI -- AS REPORTEDLY DO GOF AND USG-- OPPOSES SUCH A MEETING, FEELING IT WISER TO WAIT AWHILE BECAUSE THE SITUATION IS NOT RPT NOT YET CRITICAL. VOLPE

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Draft Date: 12 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: GS VOLPE
Errors: N/A
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Handling Restrictions: n/a
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ISecure: 1
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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